



**REPAYMENT PERFORMANCE OF MICROFINANCE IN
BANK SIMPANAN NASIONAL (BSN) MELAKA**

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**BACHELOR OF BUSINESS ADMINISTRATION
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UNIVERSITY TEKNOLOGI MARA

MELAKA CITY CAMPUS

APRIL 2011

DECLARATION OF ORIGINAL WORK



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“DECLARATION OF ORIGINAL WORK”

I, Nurizzati Bt Othman, (IC Number: 880402045366)

Hereby, declare that,

- This work has not previously been accepted in substance for any degree, locally or overseas and is not being concurrently submitted for this degree or any other degrees
- This project paper is the result of my independent work and investigation, except where otherwise stated
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

SIGNATURE: _____

DATE: _____

LETTER OF SUBMISSION

06 MAY 2011

The Head of Program
Bachelor of Business Administration (Hons) Finance
Faculty of Business Management
Universiti Teknologi MARA
75300 Jalan Hang Tuah
Melaka

Dear Sir/Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “REPAYMENT PERFORMANCE OF MICROFINANCE IN BANK SIMPANAN NASIONAL (BSN) MELAKA” to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you

Yours sincerely

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Bachelor of Business Administration (Hons) Finance

ABSTRACT

The aim of microfinance is to help the poor and lower income group to get funds for their business activities and to improve their lives. Usually, the loans given are very small, in short term period, no collateral needed and required weekly repayment. However, repayment problems become the main obstacle for the microfinance institutions to continue providing microcredit services. Therefore, this paper tries to review the repayment problem of microcredit services offer by Bank Simpanan Nasional (BSN) in Melaka and what factor contribute to this repayment problem. This is important to make sure that any problem regarding repayment problem can be settled at the early stage to reduce the number of non-performing loan in BSN Melaka. To get this information, I make an in-depth interview with manager and staff of BSN Melaka. Close monitoring of and a close relationship with borrowers appear to be important for early detection of any problem. Another aspect that may be important is building up loyalty and developing reliability among members. A close and informal relationship with borrowers may also help in monitoring and early detection of problems that may arise in non-repayment of loans.

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